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OAKLAND

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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Adam Benson
Director of Finance

SUBJECT: FY 2018-19 Fourth Quarter
Revenue & Expenditure Report

DATE: October 4, 2019

City Administrator Approval

Date:

10/10/19

RECOMMENDATION

Staff Recommends That City Council Receive An Informational Report On Fiscal Year (FY) 2018-19 Fourth Quarter Revenue and Expenditure Results And Year-End Summaries For The General Purpose Fund (1010) and Selected Funds.

EXECUTIVE SUMMARY

This report details the City of Oakland's (City) unaudited Fourth Quarter Financial Results for FY 2018-19 in the General Purpose Fund (GPF) and other selected funds. The key findings from the City's unaudited¹ year-end results are summarized below and are discussed in more detail in the Analysis section of this report beginning on page 3.

This report contains the fiscal year-end results for FY 2018-19 based on data available from July 1, 2018 to June 30, 2019. It also includes information on the FY 2017-19 Adopted Budget Policy Directives.

General Purpose Fund

As shown in Table 1, unaudited GPF revenues of \$649.71 million exceeded expenditures of \$637.86 million by \$11.85 million, a variance of 1.86%. The FY 2018-19 unaudited year-end available Fund Balance in the GPF is estimated to be \$0.15 million after adjusting the available GPF Fund Balance by obligations and reserves.

As shown in Attachment A-2, unaudited FY 2018-19 expenditures exceed the net adjusted budget by \$26.81 million, driven primarily by personnel overspending in the Police and Fire Departments. As shown in Table 4, when adjusted for reimbursable overtime, the Police Department's personnel budget is overspent by \$13.18 million.

During FY 2018-19, the City's assessed valuation continued to post strong growth, while receipts from local user taxes reflect only moderate growth, and sales tax growth, when adjusted for one-time revenues is currently flat. When these three economic indicators are looked at together, the local economy appears to be moving into a slower growth pattern than previous years.

¹ Audited results for FY 2018-19 will be available by 12/2019.

Item: _____
Finance and Management Committee
October 22, 2019

Table 1: Summary of GPF Estimated Year-End Available Fund Balance (\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2018-19 Q4 Unaudited Actuals
Beginning Fund Balance - Audited	\$ 86.16
Revenue	\$ 649.71
Expenditures	\$ 637.86
Estimated Current Year Surplus/(Shortfall)	\$ 11.85
Subtotal Fund Balance	\$ 98.01
FY18-19 / FY20-21 Obligated Fund Balance	\$ (35.69)
Designated / Mandated Reserves	\$ (62.16)
Estimated Ending Available Fund Balance	\$ 0.15

Non-GPF Funds

The six (6) non-GPF funds analyzed for this report have historically shown negative fund or cash balances. Detailed unaudited revenues and expenditures for these funds are provided in Attachment B through Attachment G. Table 13 reflects the FY 2018-19 unaudited ending fund balance/(deficit) compared to FY 2017-18, and demonstrates the following key summary results:

- The negative fund balance in the Self Insurance Liability Fund (1100) – which is on City Council approved repayment plan – increased from negative \$4.78 million to negative \$7.25 million in FY 2018-19. This result is largely due to the increased premium costs beginning in FY 2018-19.
- The negative fund balance in the LLAD Fund (2310) continues to increase due to rising costs and stagnant revenues.
- Three Internal Service Funds (Reproduction Fund, Central Stores Fund, and Purchasing Fund) have been added to the quarterly report and have been placed on repayment plans in the FY 2019-21 Adopted Biennial Budget.
- The fund balance in the Facilities Fund (4400) is no longer negative due to the City Council approved repayment plan.

The remainder of this report provides details on the unaudited fiscal year-end revenue and expenditures in the GPF and selected funds based on Fourth Quarter data (July 1, 2018 – June 30, 2019).

ANALYSIS / POLICY ALTERNATIVES

GENERAL PURPOSE FUND

I. REVENUES

As reflected in **Attachment A-1**, the FY 2018-19 adjusted revenue budget is **\$601.47 million**, excluding budgeted transfers from Fund Balance of **\$1.23 million**. FY 2018-19 year-end revenues were **\$649.71 million**, which represents a net increase of **\$48.23 million** over the FY 2018-19 Adjusted Budget. More than **79.35%** of the \$48.23 million increase is considered **one-time (\$38.27 million)**, the remainder is considered **ongoing (\$9.96 million)**. **After controlling for one-time revenues, FY 2018-19 revenues increased a modest 3.95% over FY 2017-18 revenues. In comparison, after controlling for FY 2018-19 one-time revenues, FY 2019-20 GPF revenues are forecasted to increase 7.23% over FY 2018-19 year-end revenues.** This revenue increase has already been accounted for in the FY 2019-20 Adopted Budget.

As the fiscal year progresses and better data becomes available, revenue projections are updated and provided to the City Council at the end of the second and third quarter. As shown in Table 2 below, the unaudited FY 2018-19 year-end revenues are **\$649.71 million**, excluding transfers from Fund Balance. Unaudited revenues, when compared to the Third Quarter Forecast increased **\$11.11 million** of which **\$7.93 million** is considered one-time.

Table 2: Summary of GPF Revenue Variance to FY 2018-19 Third Quarter Forecast (\$ in millions)

Description	FY 2018-19 Revenue
FY 2018-19 Third Quarter Forecast	\$ 638.59
Increases/(Decreases):	
Property Tax	\$ 0.72
Sales Tax	\$ 2.06
Business License Tax	\$ 2.06
Real Estate Transfer Tax	\$ 5.30
Fines & Penalties	\$ 1.81
Transient Occupancy Tax	\$ 0.45
Miscellaneous	\$ 0.91
All Other	\$ (2.20)
Net Projected GPF Revenue Growth	\$ 11.11
Total FY 2018-19 Unaudited Revenue	\$ 649.71

II. EXPENDITURES

The unaudited year-end expenditures are estimated at \$637.86 million, which is \$26.81 million over the net Adjusted Budget, as shown in Table 3. The unaudited year-end result is primarily attributed to overspending in the Police and Fire Departments. Unbudgeted election spending also contributed to the overspending.

Table 3: Summary of FY 2018-19 GPF Expenditure Variance (\$ in millions)

Department	Adjusted Budget (Q4 less CF)	Q4 Year-End Actuals	Year-End (Over) / Under Budget
FY 2018-19 Expenditures	\$ 611.05	\$ 637.86	\$ (26.81)
MAYOR	\$ 3.11	\$ 2.91	\$ 0.20
CITY COUNCIL	\$ 5.49	\$ 5.23	\$ 0.25
CITY ADMINISTRATOR	\$ 15.08	\$ 14.78	\$ 0.31
CITY ATTORNEY	\$ 12.73	\$ 12.61	\$ 0.12
CITY AUDITOR	\$ 2.07	\$ 2.06	\$ 0.01
CITY CLERK	\$ 3.78	\$ 4.66	\$ (0.87)
POLICE COMMISSION	\$ 2.97	\$ 2.45	\$ 0.51
PUBLIC ETHICS COMMISSION	\$ 1.04	\$ 1.06	\$ (0.02)
FINANCE DEPARTMENT	\$ 24.96	\$ 24.31	\$ 0.65
INFORMATION TECHNOLOGY	\$ 10.49	\$ 10.68	\$ (0.19)
RACE & EQUITY	\$ 0.57	\$ 0.55	\$ 0.02
HUMAN RESOURCES	\$ 6.35	\$ 6.38	\$ (0.03)
DEPARTMENT OF VIOLENCE PREVENTION	\$ 0.46	\$ 0.46	\$ —
POLICE DEPARTMENT*	\$ 262.19	\$ 287.83	\$ (25.64)
FIRE DEPARTMENT	\$ 146.62	\$ 152.76	\$ (6.14)
OAKLAND PUBLIC LIBRARY	\$ 13.15	\$ 12.43	\$ 0.72
PARKS & RECREATION	\$ 15.03	\$ 14.98	\$ 0.04
HUMAN SERVICES	\$ 16.28	\$ 15.59	\$ 0.69
ECONOMIC & WORKFORCE DEVELOPMENT	\$ 4.71	\$ 4.59	\$ 0.12
PLANNING & BUILDING	\$ 0.27	\$ 0.24	\$ 0.03
OAKLAND PUBLIC WORKS	\$ 3.67	\$ 3.66	\$ 0.01
TRANSPORTATION	\$ 12.49	\$ 10.90	\$ 1.60
NON-DEPARTMENTAL	\$ 47.24	\$ 46.49	\$ 0.75
CAPITAL IMPROVEMENT PROGRAM	\$ 0.28	\$ 0.23	\$ 0.05

*OPD expenditures offset of \$10.46 million for unbudgeted reimbursable overtime is not reflected in totals (details shown in Table 4).

Table 4 below shows the personnel expenditures, including overtime, for Public Safety in the GPF. The Police and Fire Departments overspent their personnel budgets by \$13.18 million and \$5.25 million respectively. The key driver of personnel overspending is due to overtime, which gets partially absorbed by savings associated with vacancies and reimbursable OT.

Table 4: FY 2018-19 Public Safety GPF Projected Personnel Expenditures (\$ in millions)

Department	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Actuals	Year-End (Over) / Under Budget
Police Department			
<i>Overtime (OT)</i>	\$ 14.05	\$ 36.36	\$ (22.31)
<i>Reimbursable OT (Special Events, etc.)</i>	\$ —	\$ 10.46	\$ 10.46
<i>All Other Personnel (non-OT)</i>	\$ 211.35	\$ 212.68	\$ (1.33)
OPD Total Personnel	\$ 225.40	\$ 259.51	\$ (13.18)
Fire Department			
<i>Overtime (OT)</i>	\$ 3.34	\$ 19.65	\$ (16.32)
<i>All Other Personnel (non-OT)</i>	\$ 128.90	\$ 117.84	\$ 11.06
OFD Total Personnel	\$ 132.24	\$ 137.50	\$ (5.25)

In FY 2018-19, the Police Department received \$10.46 million in reimbursable overtime in the GPF that was not budgeted. There is no adjustment for the Fire Department as reimbursable overtime is fully appropriated throughout the year (Resolution No. 85824 C.M.S.) and is already reflected in the Fire Department's Adjusted Budget. Fire overspent its GPF overtime budget by \$16.32 million which was offset by personnel savings due to vacancies, resulting in total personnel overspending of \$5.25 million.

III. FUND BALANCE

The audited FY 2018-19 GPF beginning fund balance was \$86.16 million. Importantly, this amount includes the City Council appropriated reserves discussed later in this report, as well as project and encumbrance balances carried forward.

The year-end available fund balance is estimated to be \$0.15 million, after including year-end revenues and expenditures, project and encumbrance carryforward, and amounts budgeted using GPF fund balance in FY 2019-20. As shown in Table 5, the City's 7.5% GPF Emergency Reserve is set at \$48.83 million based on the FY 2019-20 adopted budget expenditures.

Table 5: FY 2018-19 Projected Year-End Available GPF Fund Balance

GENERAL PURPOSE FUND (1010)	FY 2018-19 Q4 Actuals FYE
Beginning Fund Balance - Audited	\$ 86.16
Revenue	\$ 649.71
Expenditures	\$ 637.86
Estimated Current Year Surplus/(Shortfall)	\$ 11.85
Subtotal Fund Balance	\$ 98.01
Use of Fund Balance:	
Projects & Encumbrances Carried Forward (CF) to FY 2019-20	\$ (26.91)
FY 2019-20 Adopted Council Resolutions	\$ (0.01)
FY 2019-20 Adopted Budget	\$ (3.83)
FY 2018-19 1% COLA Trigger Set-Aside	\$ (3.50)
FY 2018-19 Kid's First True-Up (FY 2020-21 Midcycle adjustment)	\$ (1.43)
Subtotal Use of Fund Balance	\$ (35.69)
Designated / Mandated Reserves:	
7.5% GPF Required Reserve	\$ (48.83)
Vital Services Stabilization Fund (25% Excess RETT set-aside)	\$ (5.49)
Long-Term Obligations (25% Excess RETT set-aside)	\$ (5.49)
OMERS Reversion of Assets (held with Trustee; Resolution 85098)	\$ (2.36)
Subtotal Reserves	\$ (62.16)
Estimated Ending Available Fund Balance	\$ 0.15

IV. RESERVES

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policy to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax). The summary below provides the adjusted total set-asides, including any additional contributions based on the projected excess RETT in the FY 2018-19 Fourth Quarter results. It is important to note that while these balances are designated each fiscal year, reserve appropriations adopted in subsequent fiscal years may include any prior year true-ups. As stated previously, the City's 7.5% GPF Emergency Reserve is set at \$48.83 million.

Table 6: FY 2018-19 Year-End Reserve Balances

Description	FYE 2018-19 Balances
7.5% GPF Required Reserve ¹	\$ 48.83
Vital Services Stabilization Fund	\$ 19.81
Long-Term Obligations	\$ 5.49
Total Reserves	\$ 74.13

¹ The 7.5% GPF reserve is not a cumulative balance

Total budgeted reserves and set-asides of \$74.13 million are equivalent to over one month of FY 2019-20 operating expenditures of \$651.01 million in GPF (11.39%). **The Government Finance Officers Association (“GFOA”) recommends maintaining unrestricted budgetary fund balance in the general fund of no less than two months of operating expenditures (16.7%), which based on FY 2019-20 adjusted budget is \$108.50 million.**

The City’s Consolidated Fiscal Policy is available in its entirety on the City’s website. (<https://www.oaklandca.gov/documents/fy-2019-21-adopted-budget-policy-book-final>)

V. FY 2017-19 Adopted Budget Policy Directives

Attachment J provides a detailed analysis on the Policy Directives included in the FY 2017-19 Adopted Budget.

GENERAL PURPOSE FUND
(Attachments A-1 and A-2)

REVENUE HIGHLIGHTS

As reflected in Attachment A-1, the FY 2018-19 adjusted revenue budget is **\$601.47 million**, excluding budgeted transfers from Fund Balance of **\$1.23 million**. FY 2018-19 unaudited year-end revenues are **\$649.71 million**, which represents a net increase of **\$48.23 million** over the FY 2018-19 Adjusted Budget. More than **79.35%** of the \$48.23 million increase is considered **one-time (\$38.27 million)**, the remainder is considered **ongoing (\$9.96 million)**. Table 7 below details the sources of one-time and unanticipated revenues received during FY 2018-19. **After controlling for one-time revenues, FY 2018-19 revenues increased a modest 3.95% over FY 2017-18 revenues. In comparison, after controlling for FY 2018-19 one-time revenues, FY 2019-20 GPF revenues are forecasted to increase 7.23% over FY 2018-19 year-end revenues.**

As the fiscal year progresses and better data becomes available, revenue projections are updated and provided to the City Council at the end of the second and third quarter. At the Third Quarter, the FY 2018-19 year-end revenues **were forecasted to be \$638.59 million**, excluding transfers from Fund Balance. Unaudited revenues, when compared to the Third Quarter Forecast increased **\$11.11 million**, of which **\$7.47 million** is considered one-time.

Table 7: One-time & Unanticipated Revenues (in millions)

Category	Adopted Midcycle FY 2018-19 Budget	FY 2018-19 Unaudited Year End	Less 1x Revenues	Less Unanticipated Revenues	Variance to Actual Controlling for 1x & Unanticipated Revenues	Var.
Property Tax (RPTTF)	\$196.47	\$199.96		\$2.44	\$1.05	0.54%
Business tax	\$86.62	\$99.49	\$10.46		\$2.41	2.78%
Sales tax	\$57.68	\$62.05	\$3.91		\$0.47	0.81%
Real Property Transfer Tax*	\$74.18	\$104.90	\$21.96	\$1.45	\$7.32	9.86%
Service Charges	\$62.29	\$64.57	\$1.95		\$0.34	0.54%
Total	\$477.24	\$530.99	\$38.27	\$3.89	\$11.58	2.43%

* Split year tax assessment from new tax rates adopted by voters and beginning January 1, 2019.

Attachment A-1 provides details of Fourth Quarter revenue collection and comparison to the Third Quarter projections.

Property Tax: +\$0.72 million compared to FY 2018-19 Third Quarter Forecast

Unaudited Fiscal Year End Property Tax revenues exceeded FY 2018-19 Third Quarter Forecast by \$0.72 million. Starting in FY 2011-12, the City began receiving a portion of the RPTTF as the result of the dissolution of the Redevelopment Agency. The RPTTF is the portion of property tax increment, less wind-down funding obligations, that would have gone to redevelopment

agencies if they had not been dissolved. Net of RPTTF, Property Tax revenues increased 6.83% when compared to Fiscal Year 2017-18.

Table 8: Historical Property Tax Revenue: FY 2012-13 through FY 2018-19

Category	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19 Unaudited FYE
Property Tax	\$ 129.27	\$ 133.12	\$ 141.03	\$ 150.93	\$ 160.98	\$ 172.46	\$ 182.94
Property Tax - RPTTF	\$ 24.88	\$ 9.71	\$ 18.33	\$ 7.77	\$ 10.50	\$ 14.71	\$ 16.30
Total Property Tax	\$ 154.15	\$ 142.83	\$ 159.36	\$ 158.7	\$ 171.48	\$ 187.17	\$ 199.24

During the depths of the Great Recession, the City lost \$2.59 billion in assessed valuation. For the past 5 years, Oakland's assessed valuation has experienced significant growth. Since FY 2011-12, the City's assessed valuation has grown \$21.46 billion.

Table 9: Assessed Valuation: FY 2009-2010 through FY 2018-19

Assessed Valuation Growth

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
(2.91)%	(3.09)%	1.67%	2.15%	5.15%	5.85%	7.56%	7.47%	7.21%	5.84%

Sales Tax: +\$2.06 million compared to FY 2018-19 Third Quarter Forecast

Unaudited revenues derived from sales tax is \$62.05 million. Based upon Fourth Quarter data, sales tax, when adjusted for one time revenues, increased 3% when compared to FY 2017-18. \$3.91 million is considered one-time revenues derived from a change in accounting treatment of Second Quarter sales tax true-up and late remittance of FY 2017-18 payments by the California Department of Tax and Fee Administration.

Real Estate Transfer Tax: +\$5.30 million compared to FY 2018-19 Third Quarter Forecast

Unaudited Fourth Quarter FY 2018-19 year-end real estate transfer tax (RETT) is anticipated to be \$104.90 million, which is \$5.30 million above the FY 2018-19 Third Quarter Forecast. When compared to FY 2017-18, revenues derived from RETT are anticipated to increase 35.08% from \$77.66 million to \$104.90 million.

In accordance with the City's Fiscal Policy (Ordinance No. 13487 C.M.S.), \$21.96 million is considered one-time revenues, of which 25% (\$5.49 million) is placed in the Vital Services Stabilization Fund, 25% (\$5.49 million) is used to fund debt retirement and unfunded long-obligations, and the remaining 50% (\$10.98 million) is used to fund one-time expenses or to augment reserves. This means that \$82.95 million (79.07%) of the RETT received was used in FY 2018-19 to fund ongoing expenses.

Staff researched published RETT policies of surrounding charter cities and found that they budget significantly more conservatively with this volatile revenue stream, utilizing far less of their RETT for ongoing expenses. The City of Hayward anticipates RETT revenue of \$15.5

million in FY 2019-20, but only considers \$4.8 million to be on-going (approximately 4% of General Fund revenues). According to the City of Berkeley in FY 2018, the city received \$18.9 million in RETT revenue, but only considered \$12.5 million on-going (approximately 9% of General Fund revenues). This value remains flat regardless of how much RETT revenue is received. Finally, the City of Emeryville allocates RETT received from commercial transactions in exchange for 25% of the residual property tax trust fund increment, the city sets RPTTF into a fund outside of the General Fund.

Until December 31, 2018, the Real Estate Transfer Tax (RETT) rate on residential and commercial sales was 1.61% of the value of each real estate transaction. Oakland's share was 1.5% with Alameda County receiving the remaining 0.11%. The tax is triggered by the transfer of property ownership, and both the buyer and seller are responsible for ensuring the tax is paid.

On November 6, 2018, Oakland voters approved Measure X, establishing a progressive real estate transfer tax rate for the City. The new rates became effective on January 1, 2019 and are as follows:

Transfers up to \$300,000	1.00%
\$300,001 to \$2,000,000	1.50%
\$2,000,001 to \$5,000,000	1.75%
\$5,000,001 and above	2.50%

Table 10 reflects changes in both total gross sales and volume, when comparing total property transfers that occurred in FYs 2017-18 and 2018-19. After controlling for properties sales over \$100 million, gross sales increased \$561.09 million while the citywide sales volume decreased 1.92%.

Real Estate Transfer Tax is highly volatile and revenues can increase and decrease rapidly with changing market conditions or as a result of the sale of high value properties. When certain high value commercial properties are sold, they can skew revenues upward. Furthermore, depending upon how the property is transferred and/or what type of entity is purchasing the property, the application of the City's RETT may not apply. In FY 2018-19, the sale of properties in excess of \$100 million increased 150%. This was due to one company selling 4 office buildings. The sale of large commercial properties listed in **Table 11**.

Table 10: RETT Growth Rate Q4

Sale Price	FY 2017-18		FY 2018-19		Year-over-Year Comparison	
	Gross Sales (millions)	Volume	Gross Sales (millions)	Volume	Gross Sales (% change)	Volume (% change)
\$300,000 or below	\$ 98.11	619	\$ 68.90	421	(29.77)%	(31.99)%
\$300,001 to \$2 million	\$ 3,393.39	4,353	\$ 3,615.36	4,423	6.54 %	1.61 %
\$2 million to \$5 million	\$ 531.66	183	\$ 542.70	190	2.08 %	3.83 %
\$5-10m	\$ 276.39	38	\$ 281.10	40	1.71 %	5.26 %
\$10-100m	\$ 505.77	20	\$ 858.35	36	69.71 %	80.00 %
Over \$100m	\$ 320.00	2	\$ 1,039.32	5	224.79 %	150.00 %
Total	\$ 5,125.33	5,215	\$ 6,405.74	5,115	24.98 %	(1.92)%

Table 11: FY 2018-19 YTD Large Property Sales (in millions)

Sale of Properties over \$100,000,000		
Sale Quarter	Property	FY 2018-19 RETT
Quarter 1	1330 Broadway	\$ 2.64
Quarter 2	1221 Broadway	\$ 3.80
Quarter 3	2100 Franklin	\$ 3.22
Quarter 3	CIM Properties	\$ 12.80
Quarter 4	1333 Broadway	\$ 2.89
Total		\$ 25.35

Business License Tax: +\$2.06 million compared to FY 2018-19 Third Quarter Forecast

Unaudited year-end revenue derived from Business Licenses Tax is \$99.49 million of the total tax collected. This is \$2.06 million higher than the Adjusted FY 2018-19. \$10.46 million is considered one-time revenues, which includes \$7.03 million in one-time revenues derived from a comprehensive clean-up of delinquent tax accounts; and \$3.43 million in revenues from new cannabis businesses that registered in 2018 and are paying 2 years of taxes in 2019 as required under the City's tax code. FY 2018-19 was the final year that revenues derived from 1st year tax payments made during the second year of operation will be considered one-time revenues. The recreational industry is now established in the fiscal cycle, and going forward will no longer be considered an anomaly. After controlling for one-time revenues, business taxes increased 5.88% over FY 2017-18.

Business tax facts for 2019:

- **12%** (6,445) of the registered businesses remit **80%** of the ongoing business tax revenue. The loss of one large business could impact results.
- The top three revenue generating tax categories are:
 - Professional/semi-professional service providers, 7,289 registered businesses generating 22.40% of total business tax revenue
 - Residential real estate rental, 23,950 registered businesses generating 22.11% of total business tax revenue
 - Commercial real estate rental, 3,360 registered businesses generating 15.48% of total business tax revenue

Utility User Tax: -\$2.70 million compared to FY 2018-19 Third Quarter Forecast

Unaudited year-end revenue derived from Utility User Tax is \$49.60 million, which is a -4.70% decrease when compared to FY 2017-18 audited receipts. UUT is anticipated to be stagnate in 2020 due to PG&E's application of the California Climate Credit that is distributed to rate payers in the months of April and October through calendar year 2020.

Transient Occupancy Tax: +\$0.45 million compared to FY 2018-19 Third Quarter Forecast

Year-end Fourth Quarter revenue derived from Transient Occupancy Tax (TOT) revenue is \$25.92 million. The City is still experiencing growth in this revenue category with revenues

increasing 9.92% when compared to the Fourth Quarter of FY 2017-18. The increase in TOT is being felt across the Bay Area as the demand for hotel lodging increases due to the improved business climate, which also increases room rates based upon simple supply and demand. In FY 2018-19, fifteen companies remitted 80% of the total TOT revenue, which is a one percent increase over the previous year. **Table 12** reflects year-over-year growth of Transient Occupancy Tax.

Table 12: Transient Occupancy Tax Growth Rate Q4

Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Transient Occupancy Tax	15.99%	17.24%	18.03%	12.89%	5.43%	9.92%

Parking Tax: -\$0.38 million compared to FY 2018-19 Third Quarter Forecast

Unaudited revenue derived from Parking Tax is \$11.05 million, which is a 2.32% increase when compared to FY 2017-18.

Fines & Penalties: +\$1.81 million compared to FY 2018-19 Third Quarter Forecast

Unaudited year-end revenue derived from Fines & Penalties is \$21.20 million. Revenue derived from parking citations was stagnate, while revenues derived from penalties on delinquent taxes increased.

Service Charges: +\$2.36 million compared to FY 2018-19 Third Quarter Forecast

Unaudited year-end revenue derived from Service Charges is \$64.57 million, which is an increase of 11.19% when compared to FY 2017-18. \$1.95 million is considered one-time revenue. \$4.94 million was received above budget from cost recovering Police Services provided largely at the Coliseum.

Grants & Subsidies and Miscellaneous Revenue: +\$1.39 million compared to FY 2018-19 Third Quarter Forecast

Unaudited revenues received from Grants & Subsidies is \$1.98 million, exceeding the Third Quarter forecast by \$0.49 million due to additional State reimbursements received in the Fourth Quarter.

Unaudited Miscellaneous revenues are \$3.58 million, exceeding the Third Quarter forecast by - \$1.19 million.

EXPENDITURE HIGHLIGHTS

As outlined in **Table 3**, the FY 2018-19 Q4 net Adjusted Budget is \$611.05 million. Unaudited fiscal year-end General Purpose Fund (GPF) expenditures are \$637.86 million. Below is a discussion of each department's estimated savings or overspending in the GPF at year-end as compared to the Adjusted Budget.

Mayor's Office

The Mayor's Office ended the fiscal year with a savings of approximately \$0.20 million.

City Council

The City Council ended the fiscal year with approximately \$0.25 million resulting from salary savings. Attachment I provides detail spending by Council District.

City Administrator

The City Administrator's Office ended the fiscal year with an estimated savings of \$0.31 million primarily due to vacancies.

City Attorney

The City Attorney had savings of \$0.12 million primarily due to vacancies.

City Auditor

The City Auditor ended the fiscal year at budget.

City Clerk

The Office of the City Clerk ended the fiscal year with overspending of approximately \$0.87 million primarily due to overspending in the elections project.

Police Commission

The Police Commission ended the fiscal year with a savings of \$0.51 million due to vacancies and underspending in O&M.

Public Ethics Commission (PEC)

The PEC overspent the fiscal year at budget by approximately \$0.02 million due to overspending in personnel.

Finance Department

Finance ended the year with savings of \$0.65 million due to salary savings from vacancies.

Information Technology Department (ITD)

ITD overspent their budget by approximately \$0.19 million which is attributed personnel.

Race & Equity

The Race & Equity Department underspent the fiscal year end budget by \$0.02 million due to savings in personnel.

Human Resources Management Department (HRMD)

Human Resources spent \$6.38 million compared to the Adjusted Budget of \$6.35 million, resulting in overspending of \$0.03 million due to personnel.

Department of Violence Prevention (DVP)

DVP ended the fiscal year at budget.

Oakland Police Department (OPD)

OPD spent \$36.36 million on overtime which includes \$10.46 million of reimbursable costs that have not been budgeted. As a result, the total overspending in OPD is effectively reduced to \$13.18 million and is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. *Table 4* provides additional information for overall personnel savings versus costs.

Oakland Fire Department (OFD)

The Fire Department ended FY 2018-19 with overspending of approximately \$6.14 million primarily due to overtime. Overtime spending in OFD was \$19.65 million at fiscal year-end, which is approximately \$16.32 million over the Adjusted Budget. *Table 4* provides additional information for overall personnel savings versus costs.

Oakland Public Library (OPL)

OPL ended the fiscal year with a savings of \$0.72 million due to vacancies.

Oakland Parks, Recreation & Youth Development (OPRYD)

OPRYD ended the fiscal year with a savings of \$0.04 million due to O&M underspending.

Human Services Department (HSD)

Human Services ended the fiscal year with a savings of \$0.69 million primarily due to underspending in O&M.

Economic Workforce & Development (EWD)

EWD had a savings of \$0.12 million at the end of the fiscal year due to underspending in O&M.

Planning & Building

Planning ended the fiscal year with a savings of \$0.03 million.

Oakland Public Works (OPW)

OPW ended the fiscal year with a savings of \$0.01 million.

Department of Transportation (DOT)

DOT ended the fiscal year with a savings of \$1.60 million from salary savings as a result of vacancies in Parking Management.

Non-Departmental

Non-Departmental ended the fiscal year with a savings of \$0.75 million as a result of underspending in O&M.

OTHER FUNDS
(Attachments B through G)

The six (6) non-GPF funds analyzed for this report have historically shown negative fund, or cash, balances (**Attachments B to G**). The FY 2018-19 projected ending fund balance/(deficit) compared to FY 2017-18 is shown in Table 13 below. Tables A-F on the following pages provide additional information on fund balance calculations.

Table 13: FY 2018-19 Projected Ending Fund Balance for Non-GPF Funds:

FUND	FY 2017-18 Audited Ending Balance	FY 2018-19 Projected Ending Balance
Self-Insurance Liability Fund	\$ (4.78)	\$ (7.25)
Landscaping & Lighting Assess. District Fund (LLAD)	\$ (1.11)	\$ (1.28)
Reproduction Fund	\$ (1.77)	\$ (1.70)
Facilities Fund	\$ (2.35)	\$ —
Central Stores Fund	\$ (4.25)	\$ (4.23)
Purchasing Fund	\$ (0.53)	\$ (0.45)

Self-Insurance Liability Fund

The Self-Insurance Liability Fund (1100) receives contributions from the General Purpose Fund and select funds to cover costs associated with liability claims and settlements, insurance premiums, outside legal services, and court costs.

Unaudited revenues at fiscal year-end are \$23.47 million, which is \$0.73 million higher than the Adjusted Budget. Actual expenditures of \$25.93 million exceeded the Adjusted Budget by \$0.99 million. Additional details are provided in **Attachment B**.

The negative fund balance in the Self Insurance Liability Fund (1100) - which is on a City Council approved repayment plan - is projected to increase from negative \$4.78 million to negative \$7.25 million in FY 2018-19. This result is largely due to the increased premium costs beginning in FY 2018-19, which effectively eliminated the repayment to the fund balance.

Table 14: FY 2018-19 Self-Insurance Liability Fund Projected Year-End Available Fund Balance

SELF-INSURANCE LIABILITY FUND (1100)	FY 2018-19 Adjusted Budget	FY 2018-19 Unaudited Actuals Q4	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$ (4.78)	\$ (4.78)	
Revenue	\$ 22.74	\$ 23.47	\$ 0.73
Expenditures	\$ 24.95	\$ 25.93	\$ (0.99)
Estimated Current Year Surplus/(Shortfall)	\$ (2.21)	\$ (2.46)	\$ (0.26)
Subtotal Fund Balance	(6.99)	(7.25)	
Use of Fund Balance			
Budgeted Amounts Carried Forward (CF) to FY 2019-20		\$ —	
Budgeted Fund Balance Repayment	\$ 2.35	\$ —	
Estimated Ending Fund Balance	\$ (4.64)	\$ (7.25)	

Landscaping and Lighting Assessment District Fund (LLAD)

In the LLAD Fund (2310), unaudited year-end revenue and expenditure results show an operating surplus of \$0.18 million in FY 2018-19 as reflected in **Attachment C**. When accounting for obligated amounts carried forward to FY 2018-19, and a beginning fund balance deficit of \$1.11 million, the deficit in LLAD is projected to increase to \$1.28 million as reflected in **Table 15**.

The LLAD fund eliminated its roughly \$6.0 million negative fund balance in FYE 2014-15. However, rapidly increasing costs and the inability to adjust the assessment rate has prevented the City from reaching its goal of maintaining a positive fund balance. The assessment rate cannot be adjusted without voter approval; therefore, the City must continue to carefully manage personnel and O&M expenses throughout FY 2019-20 to mitigate any further reductions in the fund balance.

Table 15: FY 2018-19 LLAD Projected Year-End Available Fund Balance

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2018-19 Adjusted Budget	FY 2018-19 Unaudited Actuals Q4	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$ (1.11)	\$ (1.11)	
Revenue	\$ 20.49	\$ 19.81	\$ (0.68)
Expenditures	\$ 21.41	\$ 19.63	\$ 1.77
Estimated Current Year Surplus/(Shortfall)	\$ (0.92)	\$ 0.18	\$ 1.10
Subtotal Fund Balance	(2.03)	(0.93)	
Use of Fund Balance			
Budgeted Amounts Carried Forward (CF) to FY 2019-20		\$ (0.35)	
Estimated Ending Fund Balance	\$ (2.03)	\$ (1.28)	

Reproduction Fund

This fund is reported on a cash basis. Revenues are generated from equipment rental and services charges to operating departments for maintenance and replacement of City reproduction equipment.

Table 16, which shows the projected fiscal year-end results for the Reproduction Fund (4300), reflects a slight operating surplus with revenues exceeding expenditures by \$0.14 million, decreasing the cash balance deficit to \$1.70 million. This fund will be placed on a repayment plan in the FY 2019-21 Biennial Budget (per Resolution No. 87140 C.M.S.). Additional details are provided in **Attachment D**.

Table 16: FY 2018-19 Reproduction Fund Projected Year-End Available Fund Balance

REPRODUCTION FUND (4300)	FY 2018-19 Adjusted Budget	FY 2018-19 Unaudited Actuals Q4	Year-End Over / Under Budget
Gross Beginning Cash Balance - Audited	\$ (1.77)	\$ (1.77)	
Revenue	\$ 1.29	\$ 1.27	\$ (0.02)
Expenditures	\$ 1.32	\$ 1.13	\$ 0.18
Estimated Current Year Surplus/(Shortfall)	\$ (0.03)	\$ 0.14	\$ 0.16
Subtotal Cash Balance	(1.80)	(1.63)	
Use of Cash Balance			
Budgeted Amounts Carried Forward (CF) to FY 2019-20		\$ (0.07)	
Estimated Ending Cash Balance	\$ (1.80)	\$ (1.70)	

Facilities Fund

This fund is reported on a cash basis. Unaudited fiscal year-end results for the Facilities Fund (4400) shown in Table D indicate that revenues will be higher than expenditures by approximately \$3.65 million. Additional detail is provided in **Attachment E**.

Based on FY 2018-19 unaudited year-end results, and despite budgeted amounts carried forward from FY 2018-19 to FY 2019-20 of \$1.30 million, the negative fund balance will be eliminated per the scheduled repayment plan. The FY 2018-19 Midcycle Amended Budget allocated additional one-time funding of in FY 2018-19 to eliminate the remaining negative cash balance.

Table 17: FY 2018-19 Facilities Fund Projected Year-End Available Cash Balance

FACILITIES FUND (4400)	FY 2018-19 Adjusted Budget	FY 2018-19 Unaudited Actuals Q4	Year-End Over / Under Budget
Gross Beginning Cash Balance - Audited	\$ (2.35)	\$ (2.35)	
Revenue	\$ 35.07	\$ 37.36	\$ 2.28
Expenditures	\$ 37.77	\$ 33.71	\$ 4.06
Estimated Current Year Surplus/(Shortfall)	\$ (2.70)	\$ 3.65	\$ 6.34
Subtotal Cash Balance	(5.04)	1.30	
Use of Cash Balance			
Budgeted Amounts Carried Forward (CF) to FY 2019-20		\$ (1.30)	
Budgeted Cash Balance Repayment	\$ 4.23		
Estimated Ending Cash Balance	\$ (0.82)	\$ —	

Central Stores Fund

This fund is reported on a cash basis. The Central Stores operation and facility was closed during a restructured inventory model in Public Works. The negative fund balance resulted primarily from liquidating the physical inventory on hand. This fund now supports the Citywide mailroom function and revenues are generated by charges to internal user departments.

The unaudited fiscal year-end results for the Central Stores Fund (4500) are provided in **Table 18**. The data shows that expenditures exceeded revenues by \$0.03 million, increasing the negative cash balance from \$4.25 million to \$4.23 million. This fund will be placed on a repayment plan in the FY 2019-21 Biennial Budget (per Resolution No. 87140 C.M.S.). Additional details are provided in **Attachment F**.

Table 18: FY 2018-19 Central Stores Fund Projected Year-End Available Fund Balance

CENTRAL STORES FUND (4500)	FY 2018-19 Adjusted Budget	FY 2018-19 Unaudited Actuals Q4	Year-End Over / Under Budget
Gross Beginning Cash Balance	\$ (4.25)	\$ (4.25)	
Revenue	\$ 0.44	\$ 0.37	\$ (0.07)
Expenditures	\$ 0.44	\$ 0.34	\$ 0.10
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 0.03	\$ 0.03
Subtotal Cash Balance	\$ (4.25)	\$ (4.22)	
Use of Cash Balance			
Budgeted Amounts Carried Forward (CF) to FY 2019-20	\$ —	\$ (0.01)	
Estimated Ending Cash Balance	\$ (4.25)	\$ (4.23)	

Purchasing Fund

This fund is reported on a cash basis. The Purchasing supports the Citywide purchasing function for good and services. Revenues are generated by charges to internal user departments.

The FY 2018-19 year-end unaudited revenues are at budget as shown in **Table 19**. The ending cash balance improved to a deficit \$0.45 million as a result of expenditure savings. This fund will be placed on a repayment plan in the FY 2019-21 Biennial Budget (per Resolution No. 87140 C.M.S.). Additional detail on the Purchasing Fund is provided in **Attachment G**.

Table 19: FY 2018-19 Purchasing Fund Projected Year-End Available Fund Balance

PURCHASING FUND (4550)	FY 2018-19 Adjusted Budget	FY 2018-19 Unaudited Actuals Q4	Year-End Over / Under Budget
Gross Beginning Cash Balance	\$ (0.53)	\$ (0.53)	
Revenue	\$ 1.42	\$ 1.41	\$ (0.01)
Expenditures	\$ 1.43	\$ 1.32	\$ 0.11
Estimated Current Year Surplus/(Shortfall)	\$ (0.01)	\$ 0.09	\$ 0.10
Subtotal Cash Balance	(0.54)	(0.44)	
Use of Fund Balance			
Budgeted Amounts Carried Forward (CF) to FY 2019-20		\$ (0.01)	
Estimated Ending Fund Balance	\$ (0.54)	\$ (0.45)	

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for this informational report beyond the standard City Council agenda noticing procedures.

COORDINATION

This report was prepared in coordination between the Finance Department, the City Administrator's Office and various departments.

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental impacts have been identified.

Social Equity: No social equity opportunities have been identified.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That City Council Receive An Informational Report On Fiscal Year (FY) 2018-19 Fourth Quarter Revenue and Expenditure Results And Year-End Summaries For The General Purpose Fund (1010) and Selected Funds.

For questions regarding this report, please contact Chris Yi, Principal Budget & Management Analyst, at 238-3917.

Respectfully submitted,



ADAM BENSON
Director of Finance
Finance Department

Reviewed by:
Kirsten LaCasse
Controller
Finance Department

Prepared by:
Chris Yi
Principal Budget & Management Analyst
Finance Department

Margaret O'Brien
Revenue & Tax Administrator
Finance Department

Attachments (10):

- A-1: *General Purpose Fund Revenues*
- A-2: *General Purpose Fund Expenditures*
- B: *Self-Insurance Liability Fund Revenues & Expenditures*
- C: *Landscape and Lighting Assessment District Fund Revenues & Expenditures*
- D: *Reproduction Fund Revenues & Expenditures*
- E: *Facilities Fund Revenues & Expenditures*
- F: *Central Stores Fund Revenues & Expenditures*
- G: *Purchasing Fund Revenues & Expenditures*
- H: *FY 2018-19 Council Adopted Resolutions*
- I: *Detailed Expenditure by Council District*
- J: *FY 2017-19 Adopted Budget Policy Directives*

Item: _____
Finance and Management Committee
October 22, 2019

FY 2018-19 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2018 - June 30, 2019)

GENERAL PURPOSE FUND REVENUES (\$ in millions)

Revenue Category	FY 2018-19 Adjusted Budget	FY 2018-19 Third Quarter Forecast	FY 2018-19 Year-End Unaudited	FY 2018-19 Year-End \$ Over / (Under) Third Quarter
PROPERTY TAX	\$ 196.47	\$ 199.24	\$ 199.96	\$ 0.72
SALES TAX	57.68	59.99	62.05	2.06
VEHICLE LICENSE FEES	—	0.21	0.21	—
BUSINESS LICENSE TAX	86.62	97.43	99.49	2.06
UTILITY CONSUMPTION TAX	54.21	52.30	49.60	(2.70)
REAL ESTATE TRANSFER TAX	74.18	99.61	104.90	5.30
TRANSIENT OCCUPANCY TAX	23.67	25.47	25.92	0.45
PARKING TAX	11.44	11.44	11.05	(0.38)
LOCAL TAX	—	—	(0.01)	(0.01)
LICENSES & PERMITS	2.10	2.43	1.78	(0.65)
FINES & PENALTIES	21.23	19.39	21.20	1.81
INTEREST INCOME	1.21	1.21	1.10	(0.11)
SERVICE CHARGES	62.29	62.21	64.57	2.36
GRANTS & SUBSIDIES	0.12	1.50	1.98	0.49
MISCELLANEOUS	5.49	1.40	2.31	0.91
INTER-FUND TRANSFERS	4.77	4.77	3.58	(1.19)
Sub-Total Revenue	\$ 601.47	\$ 638.59	\$ 649.71	\$ 11.11
TRANSFERS FROM FUND BALANCE	1.23	—	—	—
Total Revenue	\$ 602.71	\$ 638.59	\$ 649.71	\$ 11.11

FY 2018-19 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2018 - June 30, 2019)

GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2018-19 Adjusted Budget (Less CF)	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ (Over) / Under Adjusted Budget
MAYOR	\$ 3.11	\$ 2.91	\$ 0.20
CITY COUNCIL	5.49	5.23	0.25
CITY ADMINISTRATOR	15.08	14.78	0.31
CITY ATTORNEY	12.73	12.61	0.12
CITY AUDITOR	2.07	2.06	0.01
CITY CLERK	3.78	4.66	(0.87)
POLICE COMMISSION	2.97	2.45	0.51
PUBLIC ETHICS COMMISSION	1.04	1.06	(0.02)
FINANCE DEPARTMENT	24.96	24.31	0.65
INFORMATION TECHNOLOGY	10.49	10.68	(0.19)
RACE & EQUITY	0.57	0.55	0.02
HUMAN RESOURCES	6.35	6.38	(0.03)
DEPARTMENT OF VIOLENCE PREVENTION	0.46	0.46	—
POLICE DEPARTMENT	262.19	287.83	(25.64)
FIRE DEPARTMENT	146.62	152.76	(6.14)
OAKLAND PUBLIC LIBRARY	13.15	12.43	0.72
PARKS & RECREATION	15.03	14.98	0.04
HUMAN SERVICES	16.28	15.59	0.69
ECONOMIC WORKFORCE & DEVELOPMENT	4.71	4.59	0.12
PLANNING & BUILDING	0.27	0.24	0.03
OAKLAND PUBLIC WORKS	3.67	3.66	0.01
TRANSPORTATION	12.49	10.90	1.60
NON-DEPARTMENTAL	47.24	46.49	0.75
CAPITAL IMPROVEMENT PROGRAM	0.28	0.23	0.05
Total Expenditures	\$ 611.05	\$ 637.86	\$ (26.81)

FY 2018-19 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2018 - June 30, 2019)

SELF-INSURANCE LIABILITY FUND REVENUES (\$ in millions)

Revenue Category	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ Over / (Under) Adjusted Budget
FINES & PENALTIES	\$ —	\$ —	\$ —
INTEREST INCOME	—	(0.20)	(0.20)
SERVICES CHARGES	—	0.14	0.14
MISCELLANEOUS	—	0.79	0.79
INTER-FUND TRANSFERS	22.74	22.74	—
Total Revenue	\$ 22.74	\$ 23.47	\$ 0.73

SELF-INSURANCE LIABILITY FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ (Over) / Under Adjusted Budget
HUMAN RESOURCES	\$ —	\$ —	\$ —
POLICE DEPARTMENT	5.80	1.86	3.94
FIRE DEPARTMENT	0.94	0.08	0.86
PARKS & RECREATION	0.41	0.09	0.32
PUBLIC WORKS	4.85	6.07	(1.23)
TRANSPORTATION	—	0.01	(0.01)
NON-DEPARTMENTAL	12.95	17.82	(4.87)
Total Expenditures	\$ 24.95	\$ 25.93	\$ (0.99)

FY 2018-19 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2018 - June 30, 2019)

LANDSCAPE & LIGHTING ASSESSMENT DISTRICT FUND REVENUES (\$ in millions)

Revenue Category	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ Over / (Under) Adjusted Budget
LOCAL TAX	\$ 19.16	\$ 18.75	\$ (0.41)
LICENSES & PERMITS	0.05	0.12	0.07
INTEREST INCOME	—	0.01	0.01
SERVICE CHARGES	0.21	—	(0.21)
MISCELLANEOUS	0.15	0.01	(0.14)
INTERFUND TRANSFERS	0.92	0.92	—
Total Revenue	\$ 20.49	\$ 19.81	\$ (0.68)

LANDSCAPE & LIGHTING ASSESSMENT DISTRICT FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ (Over) / Under Adjusted Budget
FINANCE DEPARTMENT	\$ 0.07	\$ 0.05	\$ 0.02
PARKS & RECREATION	3.67	3.67	—
ECONOMIC & WORKFORCE DEVELOPMENT	—	—	—
PUBLIC WORKS	13.14	11.70	1.43
TRANSPORTATION	2.60	2.51	0.09
NON-DEPARTMENTAL	1.92	1.70	0.22
CAPITAL IMPROVEMENT	0.01	—	0.01
Total Expenditures	\$ 21.41	\$ 19.63	\$ 1.77

FY 2018-19 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2018 - June 30, 2019)

REPRODUCTION FUND REVENUES (\$ in millions)

Revenue Category	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ Over / (Under) Adjusted Budget
INTEREST INCOME	\$ —	\$ (0.03)	\$ (0.03)
INTERNAL SERVICE	1.29	1.30	0.01
MISCELLANEOUS REVENUE	—	—	—
Total Revenue	\$ 1.29	\$ 1.27	\$ (0.02)

REPRODUCTION FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ (Over) / Under Adjusted Budget
INFORMATION TECHNOLOGY	\$ 1.31	\$ 1.13	\$ 0.18
NON-DEPARTMENTAL	0.01	—	—
Total Expenditures	\$ 1.32	\$ 1.13	\$ 0.18

FY 2018-19 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2018 - June 30, 2019)

FACILITIES FUND REVENUES (\$ in millions)

Revenue Category	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ Over / (Under) Adjusted Budget
INTEREST INCOME	\$ —	\$ 0.08	\$ 0.08
SERVICE CHARGES	0.55	0.63	0.08
INTERNAL SERVICE	34.34	34.37	0.02
MISCELLANEOUS	0.17	0.04	(0.13)
INTERFUND TRANSFERS	—	2.23	2.23
Total Revenues	\$ 35.07	\$ 37.36	\$ 2.28

FACILITIES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ (Over) / Under Adjusted Budget
HUMAN RESOURCES	\$ 0.03	\$ 0.01	\$ 0.02
PUBLIC WORKS	37.56	33.55	4.01
TRANSPORTATION	0.05	0.06	(0.01)
NON-DEPARTMENTAL	0.07	0.07	0.01
CAPITAL IMPROVEMENT PROGRAM	0.06	0.03	0.03
Total Expenditures	\$ 37.77	\$ 33.71	\$ 4.06

FY 2018-19 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2018 - June 30, 2019)

CENTRAL STORES FUND REVENUES (\$ in millions)

Revenue Category	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ Over / (Under) Adjusted Budget
INTEREST INCOME	\$ (0.02)	\$ (0.09)	\$ (0.07)
INTERNAL SERVICE	0.45	0.45	—
MISCELLANEOUS	—	0.01	0.01
Total Revenues	\$ 0.44	\$ 0.37	\$ (0.07)

CENTRAL STORES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ (Over) / Under Adjusted Budget
FINANCE	\$ 0.36	\$ 0.34	\$ 0.02
NON-DEPARTMENTAL	0.08	—	0.08
Total Expenditures	\$ 0.44	\$ 0.34	\$ 0.10

FY 2018-19 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2018 - June 30, 2019)

PURCHASING FUND REVENUES (\$ in millions)

Revenue Category	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ Over / (Under) Adjusted Budget
INTEREST INCOME	\$ —	\$ (0.01)	\$ (0.01)
INTERNAL SERVICE	1.42	1.41	(0.01)
MISCELLANEOUS	—	0.01	0.01
Total Revenue	\$ 1.42	\$ 1.41	\$ (0.01)

PURCHASING FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2018-19 Adjusted Budget	FY 2018-19 Q4 Unaudited Actuals	FY 2018-19 Year-End \$ (Over) / Under Adjusted Budget
FINANCE	\$ 1.42	\$ 1.31	\$ 0.11
NON-DEPARTMENTAL	0.01	0.01	—
Total Expenditures	\$ 1.43	\$ 1.32	\$ 0.11

FY 2018-19 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2018 - June 30, 2019)

GPF FY 2018-19 ADOPTED COUNCIL RESOLUTIONS (\$ in ones)

DESCRIPTION	Council Resolution	DATE	AMT
Alameda County Public Health Dept Grant - CSO subsidy	87427	11/27/2018	\$ 12,028
TOTAL			\$ (12,028)

FY 2018-19 Expenditures by Council District					
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	ADMIN	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4
TOTAL PERSONNEL	270,284.99	520,372.55	608,338.29	547,373.46	497,480.60
SALARY	125,128.34	256,272.90	303,945.36	266,978.44	244,299.32
FRINGE & BENEFITS	145,156.65	264,099.65	304,392.93	280,395.02	253,181.28
TOTAL	270,284.99	520,372.55	608,338.29	547,373.46	497,480.60
TOTAL O&M	527,464.53	940.05	10,923.17	1,974.56	8,738.24
TOTAL EXPENDITURE	797,749.52	521,312.60	619,261.46	549,348.02	506,218.84
TOTAL BUDGET *	892,134.40	582,431.00	584,429.87	579,997.21	553,806.41
(OVER) / UNDER	94,384.88	61,118.40	(34,831.59)	30,649.19	47,587.57

	DISTRICT 5	DISTRICT 6	DISTRICT 7	AT-LARGE	TOTAL
TOTAL PERSONNEL	464,949.18	556,013.05	582,883.02	607,642.74	4,655,337.88
SALARY	250,838.17	278,400.07	284,894.91	291,038.73	2,301,796.24
FRINGE & BENEFITS	214,111.01	277,612.98	297,988.11	316,604.01	2,353,541.64
TOTAL	464,949.18	556,013.05	582,883.02	607,642.74	4,655,337.88
TOTAL O&M	9,151.07	10,754.09	4,291.80	3,910.09	578,147.60
TOTAL EXPENDITURE	474,100.25	566,767.14	587,174.82	611,552.83	5,233,485.48
TOTAL BUDGET *	582,457.47	556,401.00	582,614.01	582,495.10	5,586,851.22
(OVER) / UNDER	108,357.22	(10,366.14)	(4,560.81)	(29,057.73)	353,365.74

* Budget numbers exclude year-end project carryforwards.

FY 2017-19 Adopted Budget Policy Directives

Summary Description	Assigned Department	Status	Next Steps
1 Paperless Council meeting agenda material filing and searchable Legistar contents	City Clerk	Planning. Information has been gathered on the City Administrator workflow and three departments are in the pilot process. Please note, implementation can only occur during a period of no legislative activity, possibly December 2019 or August 2020.	Staff will continue to work to identify funding to complete this project.
2 Paperless Council, Board, & Commission agenda distribution & permanent online archiving	City Clerk	Planning. Agenda and materials posting is staged for utilization for liaisons. The system has the capacity to post content to City webpages. However, more work is necessary to standardize Boards and Commissions page content. More work must be done by the City web team to align this content. Additionally, staff must be trained on those tools and standards.	Staff need further authorization from the City Administrator's Office (CAO) and additional work must be done by the City web team.
3 Neighborhood Planning pilot (Northwest Oakland & East Oakland)	Planning & Building Department	Reporting. East Oakland: For the East Oakland Neighborhood Initiative (EONI), the community outreach phase of project has been completed: 23 community meetings were held throughout East Oakland. Ongoing partnerships with twelve community-based organizations are in place. Quarterly reports are submitted to the Strategic Growth Council (SGC) to update on the project. City staff is working with community partners and received the final report from the plan writers the beginning of September, 2019.	Staff will submit the final report to SGC in 2019 along with the City's final quarterly report and invoice.
		Reporting. Northwest Oakland: For the Northwest Oakland Priorities Project, Strategic Planning and District 1 staff have met three times with community stakeholders starting in November 2018 (DOT staff also attended the kickoff). Staff developed a draft scope of work and in collaboration with community stakeholders developed a draft community engagement strategy. Staff have collected and reviewed background information (including prior engagement efforts), and are currently working on a draft report describing neighborhood conditions (including equity indicators), summarizing community concerns, and providing an update on City actions to address those concerns. The latest Community Stakeholder Advisory Group (CSAG) meeting took place on August 20.	Staff will finish the draft report and once it is completed, the report will be reviewed by the CSAG, and then by the broader community, using the draft community engagement strategy, to: 1) Confirm the community's priorities are accurately represented; 2) Review the accuracy of the status updates and update with any additional community actions that has been undertaken; and 3) Identify remaining gaps between the community's priorities and City projects. Staff will then revise the report and work interdepartmentally to provide additional information identifying the appropriate departmental workplans or processes to incorporate the priorities into.
4 Line item reporting of each department's overtime budget	Finance Department	Complete. The FY 2019-21 Proposed Budget included a table showing budgeted overtime by department (page E-116). In future budgets, staff will include historical overtime actuals in addition to the proposed overtime line-item budget in order to allow readers to evaluate overtime spending trends over time.	Staff will continue to include departmental overtime budgets for reporting/monitoring purposes.
5 Ensure that developers, lobbyists & attorneys representing clients against the City have a current business license	Finance Department	On-going. Finance staff routinely reviews data from development projects to ensure that developers and contractors have current business licenses. Staff also works to identify unregistered attorneys and lobbyists whom have a nexus to the City and are earning gross receipts from activity within the City, to ensure that they have an active business license.	Staff will continue with the routine work of ensuring that all developers, and attorneys suing the City and lobbyists whom have nexus to the City and are earning gross receipts have a current business license.
6 Ongoing conversion of annually re-hired Temporary Part Time positions.	Human Resources Management Department	Complete. The City and Service Employees International Union (SEIU), Local 1021 agreed to conversions of temporary part-time positions (TPTs) to full-time (FT) and permanent part-time (PPT) positions in the FY 17-19 Memorandum of Understanding. With the passage of Measure D, the City has met and exceeded the conversion goal.	Funding needs to be identified if the City is to continue converting TPT to FT or PPT positions.
7 Online City Services donation system	Information Technology Department / City Administrator's Office	Planning. Staff from ITD, Treasury, and the CAO are developing a scope of work and identifying potential vendors to explore whether existing third-party payment platforms can be expanded to accept online charitable donations or whether a vendor is required to develop a secure payment system that will integrate with the City's Oracle financial platform. Staff will then determine whether an RFP will be required and develop a project plan, budget and timeline to complete the project.	Staff will meet to scope out the project and an implementation plan, including identifying potential vendors. Depending on the contract value, a RFP may be issued to complete the project.
8 STRR/TRHP TOT Legislation	Finance Department / Housing & Community Development Department	On-going. Staff is working with the City Attorney to craft legislation regarding mandating that Transient Residential Hosting Platforms (TRHPs), which do not meet the definition of hotel operator under the municipal code, can be held legally responsible for collecting and remitting TOT taxes on behalf of the hotel operators who utilize the TRHPs.	Staff will continue to work with the City Attorney's office to address this budget directive.
9 Timely spending of transportation sales tax (BB, B & VRF)	Department of Transportation	On-going. The City is actively spending down Measure B, BB and VRF balances, and is in compliance with Alameda County Transportation Commission's (ACTC) policies regarding spending.	The City reports to the ACTC on the previous fiscal year's spending each December. The City expects to show further progress in spending down funds.